

**Minnesota Department of Public Safety  
Office of Justice Programs (OJP)**

***Calculating 10% De Minimis Indirect Cost Amounts***

Use the following steps to calculate the maximum amount of a known grant award amount that can be budgeted to cover indirect costs under the 10% de minimis rule (and appropriately allocate the indirect costs between Federal and State sources in your budget). The figures you determine here will be used on your [Request to Include the 10% De Minimis Indirect Cost Rate](#) form.

- 1) MTDC = Modified Total Direct Costs

$$\text{MTDC} = (\text{Grant Award} - \text{Excluded Direct Costs}^*) / (1 + \text{Indirect Cost Rate})$$

\*Excluded Direct Costs are Equipment Purchases, Rent, Portion of Each Subcontract that is over \$25,000 and Direct Client Assistance

*Example:*

Grant Award: \$500,000

Subcontract A: \$30,000 (\$5,000 over \$25,000)

Subcontract B: \$60,000 (\$35,000 over \$25,000)

Equipment: \$5,000

Rent: \$20,000

Direct Client Assistance: \$4,000

$$\text{Excluded Direct Costs} = \$69,000 (\$5,000 + \$35,000 + \$5,000 + \$20,000 + \$4,000)$$

$$\text{MTDC} = (\$500,000 - \$69,000) / (1.10) = \$391,818$$

- 2) MTDC X Indirect Cost Rate = Indirect Cost \$

*Example:*

$$\$391,818 \times .10 = \$39,182$$

- 3) Check math: MTDC + Excluded Direct Costs + Indirect Cost \$ = Grant Award

*Example:*

$$\$391,818 + \$69,000 + \$39,182 = \$500,000$$

- 4) Allocate Indirect Cost \$, Excluded Direct Costs and MTDC Proportionately Between Federal & State

*Example:*

Your \$500,000 grant award consists of \$350,000 (70% of grant) in Federal VOCA & \$150,000 (30% of grant) in State funding.

1) Indirect costs make up 7.8364% of your total grant award (\$39,182/\$500,000 = .078364)

- 2) Multiply your Federal VOCA allocation by 7.8364% to get the amount of indirect costs you should budget to Federal VOCA ( $\$350,000 \times .078364 = \$27,427$ )
- 3) Multiply your State allocation by 7.8364% to get the amount of indirect costs you should budget to State ( $\$150,000 \times .078364 = \$11,755$ )
- 4) Your \$69,000 in excluded direct costs need to be split between Federal VOCA and State proportionately.
  - a.  $\$69,000 \times .70 = \$48,300$  in Federal VOCA.
  - b.  $\$69,000 \times .30 = \$20,700$  in State.
- 5) Your \$391,818 in MTDC needs to be split between Federal VOCA and State proportionately.
  - a.  $\$391,818 \times .70 = \$274,273$  in Federal VOCA
  - b.  $\$391,818 \times .30 = \$117,545$  in State

Example [Request to Include the 10% De Minimis Indirect Cost Rate](#) form:

Please note -

- a. The % of Federal VOCA & State for MTDC and Total Excluded Costs proportionately matches the Federal VOCA & State allocations of the Grant Award.
- b. Indirect costs are taken out of Federal VOCA & State at the same rate (10%)

ENTER ORGANIZATION NAME HERE		Enter information in cells highlighted in yellow		
Row	Budget Category	VOCA	State	Total
1	Personnel	\$200,000.00	\$40,000.00	\$240,000.00
2	Payroll Taxes & Fringe	\$49,273.00	\$10,000.00	\$59,273.00
3	Office & Program Expenses	\$0.00	\$20,000.00	\$20,000.00
4	Travel & Training	\$0.00	\$10,000.00	\$10,000.00
5	Contract Services (up to \$25K per contract)	\$25,000.00	\$25,000.00	\$50,000.00
6	Building Expenses (minus Rent)	\$0.00	\$10,000.00	\$10,000.00
7	Other Expenses (minus Indirect Costs)	\$0.00	\$2,545.00	\$2,545.00
8	<b>MTDC (Total Direct Costs minus Excluded Direct Costs)</b>	<b>\$274,273.00</b>	<b>\$117,545.00</b>	<b>\$391,818.00</b>
9	VOCA/State % of MTDC	70%	30%	100%
10	Equipment Purchases	\$5,000.00	\$0.00	\$5,000.00
11	Direct Client Assistance	\$3,300.00	\$700.00	\$4,000.00
12	Contract Services (portion of each contract over \$25K)	\$40,000.00	\$0.00	\$40,000.00
13	Building Expenses (Rent only)	\$0.00	\$20,000.00	\$20,000.00
14	<b>Total Excluded Direct Costs</b>	<b>\$48,300.00</b>	<b>\$20,700.00</b>	<b>\$69,000.00</b>
15	VOCA/State % of Total Excluded Direct Costs	70%	30%	100%
16	<b>Total Indirect Costs (up to 10% of MTDC)</b>	<b>\$27,427.00</b>	<b>\$11,755.00</b>	<b>\$39,182.00</b>
17	<b>% Check: Same % of VOCA &amp; State MTDC</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>
18	<b>Grant Award Totals</b>	<b>\$350,000.00</b>	<b>\$150,000.00</b>	<b>\$500,000.00</b>
19	VOCA/State % of Grant Award	70%	30%	100%